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## BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP - CHAIRMAN  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTER SMITH

2015 MAR 11 A 11:17

AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

MAR 11 2015

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ORIGINAL

IN THE MATTER OF THE APPLICATION OF  
UTILITY SOURCE, LLC, AN ARIZONA  
CORPORATION, FOR A DETERMINATION  
OF THE FAIR VALUE OF ITS UTILITY  
PLANTS AND PROPERTY AND FOR  
INCREASES IN ITS CHARGES FOR UTILITY  
SERVICE BASED THEREON.

DOCKET NO. WS-04235A-13-0331

## Notice of Filing

I, Erik Nielsen, (Intervenor) am unable to submit final schedules due to a lack of appropriate software and the wherewithal to complete all of the schedules; however I would like to summarize my proposed expense and rate base adjustments to these schedules based upon previous dockets, direct testimony, rebuttal testimony, surrebuttal testimony and the Rate case hearing. These adjustments include:

## Operating Expense Adjustments:

Items	Current US listed Expenses	Allowed expenses	Justification
Mary Ann Perry- Professional bookkeeping services	\$38,500.00	\$16,250.00	50% of Mrs. Perry labor based non-exclusive work for provision of utility services and reasonable compensation for the work required to keep the books for a business of this size split between water and wastewater
Phones	\$13,005.00	\$ 2,298.22	Allow 100% of Water manager (\$900), 50% Mrs. Perry bookkeeper (\$450), 100 % of NTS 1-800 line (\$228.22) and 20% of McCleve and Buelcheck phone lines (\$360) and disallow phone expenses for Mr. McCleve's wife and daughter. Split between water and sewer divisions

1	Copier	\$ 4,521.42	\$ 678.21	15% of copier/printer (@.06/copy 1600 copies per month) based on multiple businesses housed in physical office. Split between water and sewer
2				
3	SRP electricity for Queen Creek	\$ 12,040.00	\$ 0	Electricity for personal home of owner located in Queen Creek
4	Auto allowance	\$ 6,000.00	\$ 1,084.80	2 r/t to bank/post per week (40 miles) Federal rates split between water and sewer
5	Staples	\$ 1,192.00	\$ 596.00	50% of staples for shared offices split between water and sewer
6	APS power for well #4	\$ 4,950.00	\$0	100% of well four electricity removed from water division
7	APS purchased power for Fuelco	\$ 48,458.18	\$ 0	Wells are not currently owned by Utility Source and APS bill is to Fuelco so charges associated with purchased power should be disallowed
8				
9	APS late fees	\$ 824.00	\$0	It should be expected that late fees and shut off notices should be avoided. Applied to water division.
10				
11				
12				

**Adjustments to Rate Base and CIAC:**

14	Item	Current listed Original cost/CIAC	Adjustment	CIAC	Justification
15					
16	Fire Hydrants	\$ 34,500.00	N/A	\$34,500	These are development costs to the land developer and should be counted as CIAC from Greenfield
17					
18	Water Distribution System	\$161,632.00	N/A	\$73,252	At least 45% of 8" water distribution was installed by Empire Companies
19	Sewer Distribution System	\$ 260, 533	N/A	\$109,206	At least 42 percent of the 8" sewer distribution was installed by Empire
20					
21	Shallow wells 1 &3	\$92,000	\$0	N/A	ACC staff determination of not used and useful
22	37,500 gallon activated treatment plant	\$335,000	\$0	N/A	Unclear ACC staff determination of used and useful, Mr. McCleve affirmation of disconnect and excess capacity of wastewater treatment assured by Mr. McCleve. Should be considered not used and useful for
23					
24	Water land	\$210,000	\$69,644.65	N/A	Documented original cost for lands utilized to deliver customer service
25					
26	Sewer	\$105,000	\$30,476.80	N/A	Documented original cost for
27					
28					

lands				lands utilized to for wastewater treatment plant
Hook Up fees (Water)	\$0	\$201,000	\$201,000	Hook up fees collected prior to ACC oversight and previously undeclared as CIAC
Hook Up Fees (Sewer)	\$0	\$361,000	\$361,000	Sewer hookup fees collected prior to ACC oversight and previously undeclared as CIAC

RESPECTFULLY SUBMITTED this 10th day of March, 2015.



Erik Nielsen  
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**Original and thirteen (13) copies of the foregoing filed this 10th day of March, 2015, with:**

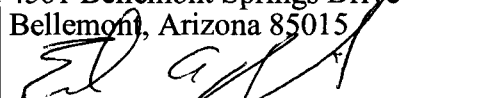
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**Copy of the foregoing mailed this 10th day of March, 2015, to:**

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By Erik Nielsen